

From: Miller, Elizabeth [Elizabeth.Miller@state.vt.us]

Sent: Sunday, July 13, 2014 3:22 PM

To: GPS

CC: Allen, Susan; Spaulding, Jeb; Coriell, Scott; Richards, Alyson; London, Sarah; Miller, Lawrence

Subject: Weekly Reports - Executive Privilege 07 11 14.pdf

Attachments: Weekly Reports - Executive Privilege 07 11 14.pdf; ATT00001.txt

a few highlights. lawrence, note DII report re: POAM, not favorable

WEEKLY REPORTS

Checklist

7/11/14

Elizabeth Miller/Alyson Richards

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☒ Health Care Reform – Lawrence Miller
- ☐ Department of Labor – Annie Noonan
- ☒ Department of Financial Regulation – Susan Donegan
- ☒ Agency of Education – Rebecca Holcombe
- ☒ VT Commission on Lottery – Greg Smith

TBD

- ☒ Agency of Transportation – Brian Searles
- ☒ Agency of Human Services – Doug Racine

Sue Allen

- ☒ Agency of Agriculture – Chuck Ross
- ☒ Agency of Natural Resources – Deb Markowitz
- ☒ Public Service Department – Chris Recchia

Sarah London/Carolyn Wesley

- ☒ Department of Public Safety – Keith Flynn
- ☒ Agency of Administration – Jeb Spaulding

Susan Spaulding

- ☒ Boards and Commissions – Susan Spaulding
- ☒ Department of Liquor Control – Mike Hogan

CONFIDENTIAL and PRIVILEGED—No Sharing

To: Governor Peter Shumlin

From: Patricia Moulton, Secretary - Agency of Commerce and Community Development


Date: July 11, 2014

Re: Weekly Report

PATRICIA MOULTON, SECRETARY:

VY/Windham Economic Development Grant Program (WEDGP): The meeting in Brattleboro with the Governor went well. Admittedly, there was limited time for questions but the Governor did a great job and was very clear on intent particularly why not grants for for-profit businesses. The meeting and public hearing Thursday regarding a revolving loan fund (RLF) was more of the same. Those who spoke want a grant program for small businesses. Others want the funding to plug philanthropic holes created by the loss of donations from Entergy. Others want the funding to fill revenue gaps for businesses losing activity due to the closure of VY. Others were positive about an RLF. A few concerns that the Legislature not "sweep" this funding for budget gaps or that funding be spent outside of Windham County. Overall, it was disappointing the lack of "vision" by those who spoke for reshaping the economy for long term sustainability. We will absolutely be criticized for whatever decisions we make. Therefore, we need to hold firm on making funding available for activities that will rebuild the economy and not one time, short term gains.

EB5/Jay Peak: We have followed up in writing from a meeting with Bill Stenger and Bill Kelly in person and Ariel Quiros on the phone. We laid out our concerns for the offering memo on AncBio. We have advice from experience SEC attorneys that the offering is not providing material disclosures relating to the auction of the AncBio facility in Korea, tax issues in Korea, IP issues and that investors will "buying" assets for the Vermont operation of AncBio from Ariel Quiro personally. We have asked them to stop marketing AncBio until we receive an opinion from their counsel that the offering meets all SEC requirements for disclosure. We have also rescinded the MOU on the West Bowl (which actually expired in 2010) project as it has had no activity and is in the older format without SEC requirements. We also asked them to provide a legal opinion to us that the Q Burke offering also meets al SEC requirements. We gave them a list of other issues I can provide if you would like. The meeting was productive. We URGED them to provide regular and detailed communications to all their phase I and II investors. We continue to get complaints but primarily from a group of about 15 investors, lead by one or two more vocal folks, about the conversion of their investment to debt. As you know, Jim Condos's office received 15 letters of complaint from Jay investors, the same group. We have alerted DRF and the Auditor's office should they too receive complaints.

 A weird event was that Ariel Quiros called Brent Raymond for a "man to man" private conversation a day or so after our meeting. He claims he could not hear anything on the phone, despite our asking him several times if he could hear ok and he acknowledging he could. He claims he did not know who was on the phone despite Bill Stengers 5 minute introduction of all of us in the beginning. And he pushed Brent to acknowledge that he "knows the offering memo's are fine, they meet all USCIS requirements and that is all we need." Brent let us know but has done nothing other than to continue to assert to Mr. Quiros that USCIS is not the only regulatory hurdle and that we need them to comply with our requests.

Champlain College and China MOU: We did not sign on to the MOU between Champlain College Champlain College (Emergent Media Center), Jiuyou Fund, Shanghai, China; and the North American High Tech Center (NAHTC, a Chinese owned company located in Massachusetts that assists in "relations between the US and China" namely education and business). We explained to Champlain why not and the new President as well as David Provost of Champlain seemed fine and to completely understand. I was unable to attend the event Tuesday evening due to a family emergency but Brent, Becky Fu and Lars Torres were all there.

CEDS: We are working to finalize the "public", more user friendly version of the CEDS vs. the one submitted to EDA in their bureaucratic format. We will need time to finalize and then roll out. Looking at perhaps a business event to roll it out vs. a weekly press conference.

IBM: We will prepare a presentation "package" of information to present to a buyer when the time comes regarding any announcements. Also, while I have not read it in its entirety, it seems the 7 Days article was not that bad.

From: Miller, Elizabeth [Elizabeth.Miller@state.vt.us]

Sent: Saturday, August 02, 2014 4:18 PM

To: GPS

CC: Allen, Susan; Spaulding, Jeb; Miller, Lawrence; Coriell, Scott; Richards, Alyson; London, Sarah

Subject: Weekly Reports - Executive Privilege 08 01 14.pdf

Attachments: Weekly Reports - Executive Privilege 08 01 14.pdf; ATT00001.txt

A few areas of note highlighted, gov. Thanks all for the (even more than usual) work this week while I was visiting family....see you Monday!

WEEKLY REPORTS

Checklist

8/1/14

Elizabeth Miller/Alyson Richards

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☒ Health Care Reform – Lawrence Miller
- ☐ Department of Labor – Annie Noonan
- ☐ Department of Financial Regulation – Susan Donegan (**no report this week**)
- ☒ Agency of Education – Rebecca Holcombe
- ☒ VT Commission on Lottery – Greg Smith

TBD

- ☒ Agency of Transportation – Brian Searles
- ☒ Agency of Human Services – Doug Racine

Sue Allen

- ☒ Agency of Agriculture – Chuck Ross
- ☒ Agency of Natural Resources – Deb Markowitz
- ☒ Public Service Department – Chris Recchia

Sarah London/Carolyn Wesley

- ☒ Department of Public Safety – Keith Flynn
- ☒ Agency of Administration – Jeb Spaulding

Susan Spaulding


- ☒ Boards and Commissions – Susan Spaulding
- ☒ Department of Liquor Control – Mike Hogan

CONFIDENTIAL and PRIVILEGED—No Sharing

To: Governor Peter Shumlin
 From: Pat Moulton, Secretary - Agency of Commerce and Community Development
 Date: August 1, 2014
 Re: Weekly Report

PAT MOULTON, SECRETARY

- **EB5:** The Jay Peak press is reverberating around the globe in a very negative way. We are hearing Mt. Snow and others are losing investors. John Kessler and Brent Raymond are attending a webinar today where Vermont Regional Center was highlighted as having "issues" and how to avoid those. The press is about the headlines and few are reading deeper. I am going to work on VtDigger and VPR next week with messaging that we are being proactive, we have an excellent track record, the EB5 program nationwide and in Vermont is evolving and our oversight is growing. In the big picture, the lack of communication from Stenger to his investors is minor yet the VtDigger article makes it sound like fraud when that is not the case.

 If we are to remain viable as a Regional Center, we need to rethink our operations. We will need to radically increase our fees to enable a third party review of offering documents and business plans like we have already required a third party market study. We will have to require audits regardless of the expense. We simply do not have the resources to effectively do our due diligence. Further, we are running our staff ragged with travel and responding to inquiries and now complaints. With increased fees, we can contract with impartial third parties to do these reviews. We can hire needed administrative staff to assist with operations. We have existing potential of over \$500 million in investment that we must take advantage of. We will work up a new operations plan and run it by Liz and Jeb prior to implementation.

- **Filling the talent pipeline:** I have been working with Dan Smith at VTC on a plan to help fill the engineering technician talent pipeline. The plan is to increase enrollment in the Vt. Academy of Science and Technology (VAST) which is a program at VTC for high school seniors where they do their senior year at VTC and earn a full year of college credit. We will couple this the Vt. Strong Scholars (which is where we need \$) so that students are hired for an internship between their senior yr of HS (first yr. at VTC) and their second yr. at VTC. We will ask participating employers to provide a scholarship for one semester at VTC (\$12,000) and have the Vt. Strong Scholars program pick up the other semester. Tuition to VTC in the VAST program is paid from the Ed Fund. A couple of years ago the Legislature capped the number of students to a total of 60, 50 is the average enrollment. The cap is lifted July 1, 2017 so we can grow this after 2017. We will enlist 5-15 employers to participate by promising to a) hire the intern, b) hire the student after they finish their two year degree c) pay a one semester scholarship to VTC. The employer is involved in marketing to high schools and screening the student. VTC does heavy screening as well. The student gets their entire two yr. degree at VTC paid for AND a job. The employer gets a good qualified student with the two year degree. Dan and I met yesterday and have a plan. He is putting together a "brochure" or write up we can use with employers. We identified a group of 15+ employers as our first target, all of whom hire interns and/or offer scholarships now. This responds directly to Janette's "get 40 new kids in to VTC's two yr. engineering program" once the cap is lifted. No legislation needed. Will need funding for VT scholars. This targets to today's high school juniors so there is a lag.
- **Mack Molding:** Lisa Gosselin and I met with Jeff Somple and Kevin Dailey at Mack Molding on Monday. Jeff is "upset" about a number of things. The "death by a thousand cuts" from the Legislature, single payer health care, Efficiency Vermont Charges, and an inability to hire good technicians. Mack would be a great candidate for the VTC program described above. The Governor and Lawrence are meeting with them August 12. We will get a detailed write up to them prior to that meeting.

 need more money

From: Miller, Elizabeth [Elizabeth.Miller@state.vt.us]

Sent: Sunday, August 24, 2014 2:25 PM

To: GPS

CC: Allen, Susan; Coriell, Scott; Richards, Alyson; Spaulding, Jeb; London, Sarah; Miller, Lawrence

Subject: Weekly Reports - Executive Privilege 08 22 14.pdf

Attachments: Weekly Reports - Executive Privilege 08 22 14.pdf; ATT00001.txt

Just a few notes and highlights in case helpful. Nothing too new and different this week.

WEEKLY REPORTS

Checklist

8/22/14

Elizabeth Miller/Alyson Richards

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☐ Health Care Reform – Lawrence Miller
- ☐ Department of Labor – Annie Noonan
- ☒ Department of Financial Regulation – Susan Donegan
- ☒ Agency of Education – Rebecca Holcombe
- ☐ VT Commission on Lottery – Greg Smith

TBD

- ☒ Agency of Transportation – Brian Searles
- ☒ Agency of Human Services – Harry Chen

Sue Allen

- ☒ Agency of Agriculture – Chuck Ross
- ☒ Agency of Natural Resources – Deb Markowitz
- ☒ Public Service Department – Chris Recchia

Sarah London/Carolyn Wesley

- ☒ Department of Public Safety – Keith Flynn
- ☒ Agency of Administration – Jeb Spaulding

Susan Spaulding

- ☐ Boards and Commissions – Susan Spaulding (**no report this week**)
- ☒ Department of Liquor Control – Mike Hogan

CONFIDENTIAL and PRIVILEGED—No Sharing

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: August 22, 2014
Re: Weekly Report

PATRICIA MOULTON, SECRETARY: CONFIDENTIAL

AncBio: June 27 we met with Bill Stenger, Ariel Quiros and Bill Kelly to explain our deep concerns over material disclosures in the offering docs for the AncBio and Q-Burke projects. We followed up with a letter July 9 spelling out what we needed and by when. Weekly reports from Bill indicated they were working on the main request of an unqualified opinion from expert SEC attorney(s) indicating their offering memoranda were disclosing all material facts. In the alternative, an updated offering memo. Wednesday, Brent Raymond and John Kessler had a telephone conference with the legal counsel from Richardson and Patel that Bill indicated was working on this request supposedly for the last 7 weeks. The attorney, David Feldman was completely unaware of the request, the required material disclosures and clearly had done no work on this. Thursday, we issued a letter to Bill Stenger, Ariel Quiros and Bill Kelly indicating they were in violation of our MOU by not producing the requested documents. Further, if they failed to provide that to us in the next 14 days, we had no choice but to cancel MOU's on both AncBio and Q-Burke. In a telephone conversation on Thursday, Bill told me Richardson and Patel "have had the documents for two months, were supposedly working on this and that clearly David Feldman was not prepared." He explained he has retained Carroll and Scribner who worked on their initial offering docs to review and update. Bill indicated he too was "shocked" David Feldman was so clueless.

We are seeing a pattern of communication being incomplete or telling us what we want to hear and learning later it is not true. This is very disturbing. We are deeply concerned about both projects but particularly AncBio given what we know had not been disclosed to potential and current investors.

Bill indicated his VP of Marketing, Steve Wright is working on EB5 PR and outreach. Alex MacLean is back from maternity leave. We hope these events will increase the accurate communication on these projects.

Rutland Plywood: I will be calling Jack Barrett Friday to offer assistance. I am told the company was well insured. They have exiting loans with VEDA, Peoples and Rutland Econ. Dev. Corp. They have space in their former building which could accommodate part of the operations. We are unsure at this time what operations they will be starting and when. I am told they are getting pressure from Peoples. VEDA is giving them some time and I will be talking to Tom Porter, RP's loan officer at the VEDA meeting Friday about what they can do to assist with equipment to help them get back on their feet.

Made In Vermont: Nancy Brooks has brought me significant concerns about the "Made In Vermont" program we are doing with Ag. The program is intended to be a self-certifying replacement for the Seal of Quality. The intent is to build this out of state marketing program to promote Vermont products which is a self certified program to act as a "seal of approval" program. Lastly, to develop a consumer resource web site for Vermont products. However, we lack the budget to do much paid media out of state (perhaps \$10,000 in carry over funds), we will be building a consumer resource web site where you cannot buy product (there will be links to producers web sites) and no resources for quality control (someone can apply for the MIV label but have a crappy product. We have no way to jury or judge the products). Further, there are "made in Vermont" web sites being developed to market Vermont made products (most recent which just started is <http://www.vermontmademarketplace.com>) which may take some of the interest away from MIV. The concern is if we launch and charge \$150 per company, will that be self-sustaining and allow us to market the MIV label out of state? The Legislature provided enabling legislation but did not mandate the creation of the program. We are meeting with Ag as soon as we can to discuss our concerns. Without a budget, it will be a challenge to do this program well. My question for the 5th floor is whether this is a priority? If so, which is the most important element? The web site, the out of state marketing, the "seal of approval"? If one element is more important, we can put our financial and personnel resources on that. If this is not a priority for the Governor, we can save a lot of staff time and some funding that could be spent elsewhere.

IBM: I had a good meeting Monday with Janette Bombardier to discuss short term options for finding employees and training. Attending were Dan Smith of VTC, Joyce Judy of CCV, John Fischer of Agency of Ed, me, Beth Demers from our Vt. Training Program and Penne Ciraldi of CCV. We came up with several short term strategies and medium term/pipeline filling strategies:

Short term:

- Do an IBM designed Governor's Career Ready Certificate program targeting un and under employed.

From: Miller, Elizabeth [Elizabeth.Miller@state.vt.us]

Sent: Sunday, August 31, 2014 2:49 PM

To: GPS

CC: Allen, Susan; London, Sarah; Spaulding, Jeb; Richards, Alyson; Miller, Lawrence

Subject: Weekly Reports - Executive Privilege 08 29 14.pdf

Attachments: Weekly Reports - Executive Privilege 08 29 14.pdf; ATT00001.txt

A few notes

WEEKLY REPORTS

Checklist
8/29/14

Elizabeth Miller/Alyson Richards

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☐ Health Care Reform – Lawrence Miller
- ☒ Department of Labor – Annie Noonan
- ☒ Department of Financial Regulation – Susan Donegan
- ☒ Agency of Education – Rebecca Holcombe
- ☒ VT Commission on Lottery – Greg Smith

TBD

- ☒ Agency of Transportation – Brian Searles
- ☒ Agency of Human Services – Harry Chen

Sue Allen

- ☒ Agency of Agriculture – Chuck Ross
- ☒ Agency of Natural Resources – Deb Markowitz
- ☒ Public Service Department – Chris Recchia

Sarah London/Carolyn Wesley

- ☒ Department of Public Safety – Keith Flynn
- ☒ Agency of Administration – Jeb Spaulding

Susan Spaulding

- ☐ Boards and Commissions – Susan Spaulding (**no report this week**)
- ☐ Department of Liquor Control – Mike Hogan

CONFIDENTIAL and PRIVILEGED—No Sharing

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: August 29, 2014
Re: Weekly Report

PATRICIA MOULTON, SECRETARY:

IBM: We had a great follow up meeting with IBM, VTC, CCV, Labor, Commerce re: short and long term training for IBM. VTC/CCV put together a great proposal on what they can and will do, with costs. I forwarded that to Liz and Jeb. We will be talking about funding for the various elements. Many of the "medium term" elements of the proposal apply to many manufacturers and are strategies to fill the talent pipeline. I will be talking about using the Enterprise Fund for some of these activities. Some of those activities can also be included in a workforce training package the Gov can roll out. Labor is also going to do an IBM specific job fair.

Annie and I had a good meeting with Janette earlier in the week to discuss Rutland Plywood employees and other short term strategies for IBM. We learned Rutland Plywood employed a number of ex-offenders. That limits the opportunity for IBM. Labor is doing a Rutland Plywood job fair next Friday.

Rutland Plywood: Still no word on their rebuild plans. They are saying they need to get a number from the insurance company before they can plan much. That may take a few weeks. We are hearing they may have been a bit sketchy with profitability before the fire, that is not confirmed. Perhaps the fire will result in a newer, more efficient building which could be their savings if it is true.

Mack Molding: Lisa Gosselin meets with Mack tomorrow (Friday) to probe workforce issues. Jeff Somple is saying if we can come up with \$2million in savings/incentives, we would commit to Vermont. We are struggling to find that. They are not VEGI eligible due to background growth. Mack wants out of the Efficiency Vermont charge so we are pursuing DPS's "Energy Savings Account Program" which allows them to "bank" their EV charge and spend it in accordance with an approved efficiency plan. We will be looking to the Enterprise Fund as this has the potential to create 60-100 jobs which fits them in the "regionally significant" category. We can put Vt. Training Program dollars in to the mix. But this highlights for us, fast growing, more "traditional" manufacturers in limited in a small NAICS category in Vermont fall through many of our incentive cracks. If we can find an answer to the back ground growth problem with VEGI, that would help. That is not easy given the politics of VEGI.

Windham County Economic Development Program: We had a great meeting with VEDA today to finalize details on the loan portion of the WCEDP fund. During the discussion we talked about operating costs. VEDA is "eating" their normal costs of underwriting fees, application fees, etc. But they highlighted legal fees as something they cannot absorb in the event of a work out or need to sue. We agreed that can come out of the revolving loan fund (RLF) when it has resources. But what about the year or two it will take to have loans repaid? Further, we realized if we have an applicant that receives funding and commits fraud, we will want to pursue them legally. But ACCD does not have the resources to "eat" legal costs either. Therefore, we believe we will need to hold back up to \$100,000 from this first round of funding to cover any of those costs in the off chance we have legal expenses. Once the RLF has resources, VEDA will tap that. But we have no opportunity. While we have said we are not charging admin fees, legal is another story. So we may need to hold on to that until we have another solution for legal costs. Any concern there?

NO for concerns.

Historic sites: As Noelle has reported, we continue to uncover deferred maintenance and other "surprises" with our historic sites. Noelle is working well with Obie on the capital bill planning. But we continue to find small issues that need to be addressed immediately. Noelle is compiling a list of smaller items, \$5,000 or so, of immediate needs. We may need some help with funding depending on the costs.

We have a long term employee (presently out on medical leave) that has not updated his practices in a long time so we have limited to no inventory of property we own at some of these sites. Noelle is addressing this well. But we are learning about old book and coin collections that are suffering in the elements or may have value that we are inventorying and seeking values for. There could be some opportunities in addition to expenses in some of this property.

EB5: We are moving forward with implementing our “reboot” of the EB5 program. Brent is traveling for two weeks in Dubai with Mt. Snow but Johns Kessler is working on the new MOU. We are discussing fees but not solution yet.

Personal: I am out for a long scheduled long weekend next weekend. I will be out Friday through Tuesday. Lucy will do the weekly next week.

Note: We are mixing up the order of the departmental reports moving the formerly last report to the “top” after the Secretary and Deputy Secretary’s report. This is to assure those reports further down get read by the rest of the Agency (we distribute the non-governor report throughout the agency).

LUCY LERICHE, DEPUTY SECRETARY

- **Vermont Council on Rural Development:** The Board has approved a proposal to hold a Summit on Economic Opportunity through combatting Climate Change in December or January. Lucy is on the organizing committee that will develop the structure and content of the event.
- **Entergy VY Inter-Agency Group:** The group will meet with the Governor’s staff next week to discuss additional state resources that will be needed through the decommissioning of the plant.
- **Legislative Meeting:** Pat and Lucy had a very productive meeting with Laura Gray and Aly Richards from the Governor’s Office to discuss ACCD’s Legislative agenda for the upcoming session. Pat and Lucy will continue discussions and work on the agenda with the Governor’s Office and the ACCD Senior Leadership team. Stay tuned!

CHIEF MARKETING OFFICE ♦Nancy Brooks, Chief Marketing Officer/Heather Pelham, Marketing Specialist

- Wk 0
for US
- **Made in VT:** We await further guidance from leadership on priorities/focuses of the program (out-of-state marketing vs consumer database vs need to dovetail with all SOV regulatory and product-safety programs). We have put website development on a temporary hold while we await this clarification – since that guidance could determine many of the requirements for the site (for example, whether the online application needs to collect detailed data from applicants on current licensing/inspection status). However, in the meantime, we are continuing to finalize requirements for the very basic parts of the online application (company data and product lines).
 - **Great Jobs in VT:** Heather and Nancy participated in a meeting this week with Liz Miller, Aly Richards, Pat Moulton, Steve Cook, Lisa Gosselin and the Vermont Recruiters Association for final review of creative materials and their deployment -- through the VDTM Fall Campaign website and a MailChimp e-newsletter, to be distributed monthly to college alumni contacts, business associations and recruiters. The monthly e-newsletter, which will include display ads as well as editorial content snippets, will keep the campaign “top of mind” with these groups, and will hopefully encourage them to incorporate our materials into their marketing efforts.

DEPARTMENT OF ECONOMIC DEVELOPMENT

Lisa Gosselin, Commissioner

- **EB-5:** Worked with Administration and ACCD leadership to propose new structure for program and new MOU language. Drafted Op Ed and worked with Shanghai Business Review on upcoming story on Vermont and EB-5.
- **BUSINESS SUPPORT:** Working closely with *Mack Molding* and with *Cabot Hosiery* on potential expansions. Spoke with *IS* (desalinators) which is hosting a delegation of government and private customers from the Republic of Indonesia about arranging for other companies to meet with this group. Group is looking at purchasing the technology such as desalinators necessary to make islands sustainable. Meeting with *Yonder* to connect them with media partners. On hold to meet with *Rutland Plywood* about rebuilding opportunities and relocation of workforce.
- **CEDS:** Met with Debra Beavin of EDA who has approved our CEDS and provided guidance as to which projects are prime for funding. Ms. Beavin was very happy with our CEDS and enthusiastic about a number of projects. Also met with Secretary Moulton, Deputy Secretary Leriche and Ken Jones on roll-out schedule. Proposed release dates are Sept. 29 or 30 with a full roll-out at Economic Development Summit

From: Miller, Elizabeth [Elizabeth.Miller@state.vt.us]

Sent: Saturday, September 27, 2014 4:41 PM

To: GPS

CC: London, Sarah; Allen, Susan; Richards, Alyson; Miller, Lawrence; Spaulding, Jeb

Subject: Weekly Reports - Executive Privilege 09 26 14.pdf

Attachments: Weekly Reports - Executive Privilege 09 26 14.pdf; ATT00001.txt

a few notes and highlights worth review. I eliminated extra pages because it was too long to easily open by email - included Rebecca Holcombe long but interesting powerpoint presentation to school boards and some unnecessary pages re: new incident command structure at VHC, though I did keep incident report for review. Liz

WEEKLY REPORTS

Checklist
9/26/14

Elizabeth Miller/Alyson Richards

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☐ Health Care Reform – Lawrence Miller
- ☒ Department of Labor – Annie Noonan
- ☒ Department of Financial Regulation – Susan Donegan
- ☒ Agency of Education – Rebecca Holcombe
- ☒ VT Commission on Lottery – Greg Smith

TBD

- ☒ Agency of Transportation – Brian Searles
- ☒ Agency of Human Services – Harry Chen

Sue Allen

- ☒ Agency of Agriculture – Chuck Ross
- ☒ Agency of Natural Resources – Deb Markowitz
- ☒ Public Service Department – Chris Recchia

Sarah London

- ☒ Department of Public Safety – Keith Flynn
- ☒ Agency of Administration – Jeb Spaulding

Susan Spaulding

- ☒ Boards and Commissions – Susan Spaulding
- ☒ Department of Liquor Control – Mike Hogan

Alyson Richards

- ☐ Leg Prep

CONFIDENTIAL and PRIVILEGED—No Sharing

To: Governor Peter Shumlin
From: Lucy Leriche, Deputy Secretary - Agency of Commerce and Community Development
Date: September 26, 2014
Re: Weekly Report

PAT MOULTON, SECRETARY

- **Fairlee House Appeal and Counter Appeal:** The property owner made renovations to an historic house converted to commercial use in Fairlee. The house is on the national register. An Act 250 jurisdiction determination was made where the District Commission asked the owners to comply with a number of conditions, including the restoration of some features that were destroyed in the renovations per recommendations from HP. The commission followed some of our recommendations but not all. The applicant appealed the requirements the District Commission imposed, so we cross-appealed to have all the requirements included. Noelle assures us she is confident the cross appeal was the right approach. Mainly I want the governor to have a heads up in case he is in that neck of the woods. This story, which gets it most right, ran Saturday:

<http://mobile.vnews.com/home/13585425-108/asked-to-restore-the-past>

- **AnC Bio EB5:** I have been going back-and-forth with Liz on the right approach with the AncBio project. We have arrived at the solution, and will be sending a letter today indicating we need all appropriate documentation by October 10 or we will cancel the MOU.

They are on track to provide it.

LUCY LERICHE, DEPUTY SECRETARY

-
- **Confidential—Lars Hasselblad Torres, Director of the Creative Economy** informed Commissioner Gosselin that he intends to step down from the position. Lars is feeling pulled back to attend to his faltering business. He is also feeling unhappy with a bureaucratic environment to which he is unaccustomed. He would like to leave in a couple of weeks, but Lisa asked that he wait until mid-late November; He seems disinclined.

- **Listening Forum on Economic Development:** Lucy attended this event at the request of Saint Johnsbury Representative Michelle Fay. Approximately 20 people were in attendance. Discussion ranged widely between property taxes, tourism and marketing, branding, creative economy, to health care. Senator Joe Benning waited until near the end of the forum to raise health care as an issue and criticized the Governor for this initiative. Lucy offered the reminder that cost containment was at the heart of health care reform, and that the Governor has repeatedly stated that he would not implement a plan unless he thought it would help to moderate the rising costs.
- **Vermont Council on Rural Development Digital Economy Project:** Lucy facilitated a session on resiliency at this well attended conference—300+ attendees. The governor received standing ovations from attendees both before and after his remarks.
- **Manufactured in Vermont Trade Show:** Pat and Lucy were honored to participate in a VIP tour of the Vermont Chamber of Commerce event along with governor Shumlin and Congressman Welsh. 90 exhibitors were present at the supply chain event. Members of the ED team were present including PTAC

From: Miller, Elizabeth [Elizabeth.Miller@state.vt.us]

Sent: Sunday, October 12, 2014 3:10 PM

To: GPS

CC: Allen, Susan; London, Sarah; Spaulding, Jeb; Richards, Alyson; Miller, Lawrence

Subject: Weekly Reports - Executive Privilege 10 10 14.pdf

Attachments: Weekly Reports - Executive Privilege 10 10 14.pdf; ATT00001.txt

A few notes...nothing earth shattering. Great day for thunder road!

WEEKLY REPORTS

Checklist
10/10/14

Elizabeth Miller/Alyson Richards

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☐ Department of Labor – Annie Noonan
- ☒ Department of Financial Regulation – Susan Donegan
- ☐ Agency of Education – Rebecca Holcombe
- ☒ VT Commission on Lottery – Greg Smith

TBD

- ☒ Agency of Transportation – Brian Searles
- ☒ Agency of Human Services – Harry Chen

Sue Allen

- ☒ Agency of Agriculture – Chuck Ross
- ☒ Agency of Natural Resources – Deb Markowitz
- ☒ Public Service Department – Chris Recchia

Sarah London

- ☒ Department of Public Safety – Keith Flynn
- ☒ Agency of Administration – Jeb Spaulding

Susan Spaulding

- ☒ Boards and Commissions – Susan Spaulding
- ☒ Department of Liquor Control – Mike Hogan

Alyson Richards

- ☐ Leg Prep

CONFIDENTIAL and PRIVILEGED—No Sharing

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: October 10, 2014
Re: Weekly Report

PATRICIA MOULTON, SECRETARY:

The week has been busy finalizing budgets and narratives and preparing Vt. Enterprise Fund proposals.

Vt. Castings: I met with Brad Determan, CEO of Hearth & Home the new owners of Vt. Castings. Hearth & Home (H&H) is a division of HNI. It was clear from the conversation they will be investing in the foundry in Randolph. They want to move enameling from Bethel to the foundry and believe they will have adequate footprint when the modernize foundry equipment and "lean up" the facility. They expect to invest \$500,000 or more in the next few months. They will be bringing foundry work currently done in Belgium to Randolph and possibly enameling done in Washington state as well. They may move admin and R&D to Randolph to a new small office building they could construct. It was also clear the assembly in Bethel is in jeopardy. H&H has assembly capability elsewhere and do not see the economics of building a new assembly plant in Randolph unless "the state can provide incentives." We are concerned they will not qualify for VEGI due to wages and at this time, unknown job creation. Richard Leon and Jacob Reuben are staying with the company for a while. They also retained ownership of the Bethel facility and the enameling equipment. We will remain close to this situation.

EB5: Friday is deadline day for substantive submittals from AncBio. We are hopeful all will be in order. We are also meeting Friday with DFR about involving them in compliance work.

Digger article: The recent Digger article got picked up by a few on line publications but also a ski industry newsletter. It is also taking its toll on Brent Raymond. We feel quite strongly we need to have something on the Digger web site in rebuttal for the foreign investors who are bound to pick this up. Lisa Gosselin is cleaning up our latest draft for review by Sue and Liz.

IBM rumors are flying. I am hearing regularly from Frank Cioffi who is hearing an announcement next week.

LUCY LERICHE, DEPUTY SECRETARY

- **Working Landscape Partnership Coalition:** The Coalition met and is dedicated to pushing for \$1,575,000 in Working Lands Enterprise funding for FY 2016. (F71)
- **Entergy VY Senate Meeting:** Representative members of the VY State Inter Agency group, as well as Commissioner Mary Peterson and Sarah London met with Senators Campbell, Kitchel, and White to give the Senate leaders an overview of the Administration's work to date regarding decommissioning responsibilities. The group expressed its desire to align with any legislative proposals that might be in the works for the 2015 session. The Senate has no active proposals in the works and agreed to coordinate efforts.
- **Vermont College of Fine Arts Dinner:** The College is doing well and embarking upon the first phase in a multiple year campus redevelopment. The first phase includes the rehabilitation of College Hall, tearing down a parking structure and building faculty housing. There may be Historic Preservation issues. Lucy encouraged college leadership to consult with the Division as soon as possible.
- **VCGI Survey Results:** Alex Ibey completed the VCGI survey within state government. Most encouraging is that all 8 respondents ranked VCGI services as either "good" or "excellent."
- **VCGI Position Scenarios:** As VCGI currently has 6.5 full-time and contractual FTEs, ACCD will absorb at least .5 FTE of work into its operations as part of the integration if we are to ensure no loss of data services. But we will need all six positions to effectively integrate VCGI in to ACCD. We are addressing this in detail in our budget submittal.

FINANCIAL SERVICES ♦ Dan Towle, Director

- **Vermont Wins US Captive Insurance Domicile of the Year:** Dan Towle, Director of Financial Services, reports that Vermont was selected as the top US domicile by Captive Review Magazine. The award was announced at the Captive Live Conference in Chicago this week. A panel of captive experts and editorial staff made the selection. Dan submitted the winning application back in August.



State of Vermont
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

For consumer assistance:
[All Insurance] 800-964-1784
[Securities] 877-550-3907
[Banking] 888-568-4547
www.dfr.vermont.gov

CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Susan L. Donegan, Commissioner, Department of Financial Regulation
Date: October 10, 2014
Re: Weekly Report

A handwritten signature in cursive script, reading "Susan L. Donegan", written over a horizontal line.

Captive Insurance Division:

Vermont was named "Captive Domicile of the Year" this week by the U.S. Captive Services Awards. According to their website, U.S. Captive Services recognizes and rewards "those providers of captive insurance products and services who have outperformed their competitors and demonstrated the highest levels of excellence over the past 12 months." Judges were looking for "evidence of the highest standards of regulation, accessibility, insured care and efficiency. Innovation in regulatory acts, passed during the official judging period, the number of new formations and growth in premium written" were also considered.

Securities Division:

Commissioner Susan Donegan and her team from the Securities Division met this morning with Secretary Patricia Moulton and her ACCD EB-5 staff to discuss establishing a compliance program to be housed at DFR to support the Regional Center's projects. DFR presented an outline of various compliance tasks and a regulatory framework that would transfer the securities, regulatory compliance, investor, financial, data gathering and reporting aspects of the EB-5 program to DFR. Marketing and interfacing with federal counterparts would remain at ACCD. ACCD is going to arrange a follow-up meeting for next week after further reviewing the DFR proposal.

Banking Division:

DFR has asked the Congressional delegation to support H.R. 5320 which will direct the U.S. Attorney General to provide state officials with access to criminal history information with respect to certain financial service providers required to undergo state criminal background



Banking
802-828-3307

Insurance
802-828-3301

Captive Insurance
802-828-3304

Securities
802-828-3420

From: Miller, Elizabeth [Elizabeth.Miller@state.vt.us]

Sent: Sunday, November 23, 2014 12:37 PM

To: GPS

CC: Allen, Susan; Richards, Alyson; London, Sarah; Coriell, Scott; Miller, Lawrence; Spaulding, Jeb

Subject: Weekly Reports - Executive Privilege 11 21 14.pdf

Attachments: Weekly Reports - Executive Privilege 11 21 14.pdf; ATT00001.txt

a few highlights and notes for you

WEEKLY REPORTS

Checklist
11/21/14

Elizabeth Miller/Alyson Richards

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☒ Department of Labor – Annie Noonan
- ☒ Department of Financial Regulation – Susan Donegan
- ☒ Agency of Education – Rebecca Holcombe
- ☒ VT Commission on Lottery – Greg Smith

TBD

- ☒ Agency of Transportation – Sue Minter
- ☒ Agency of Human Services – Harry Chen

Sue Allen

- ☒ Agency of Agriculture – Chuck Ross
- ☒ Agency of Natural Resources – Deb Markowitz
- ☒ Public Service Department – Chris Recchia

Sarah London

- ☒ Department of Public Safety – Keith Flynn
- ☒ Agency of Administration – Jeb Spaulding

Susan Spaulding

- ☐ Boards and Commissions – Susan Spaulding (**no report this week**)
- ☒ Department of Liquor Control – Mike Hogan

CONFIDENTIAL and PRIVILEGED—No Sharing

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: November 21, 2014
Re: Weekly Report

PATRICIA MOULTON, SECRETARY:

EB5: The beat goes on with ANC bio. We are allegedly receiving today the first batch of information requested in the in our November 7 letter. We followed up with a second letter requesting a second batch of information request. Bill is applying great pressure to start construction on the building claiming "125 jobs are sitting waiting to start work." We have told him the sooner he gets the information to us, the sooner we can proceed.

We continue to get complaints from Tony Sutton, investor, regarding the Tram Haus project. We are fairly certain anything he sends us he is also feeding to VT digger. Have not seen anything this week from dinner.

Legislation: We are working on an "Invest in VT" or "economic development" or "working families" package. Finding the right name is important. It is not a "jobs bill" as it includes working families initiatives, as well as business climate and commercial/industrial development. We will be ready to present concepts and specific ideas when we meet with you on December 4.

Healthcare business meetings: We are making progress with one-on-one meetings with businesses to review healthcare financing options and learn their employer response. Today we are meeting with Jerry Tarrant at MyWebGrocer and Bram Kleppner of Danforth pewter. We have a meeting with Burlington Labs next week. We are working on setting up meetings with National Life; Mike Comeau of the Richmond, Johnson, Waterbury markets; Bill Strizler of Smugglers Notch and KSE. Dick Marron at Town and Country Resort respectfully declined to participate. I am holding on Pal Borofsky due to distance.

Windham County Economic Development Program: I spoke with Kate O'Connor who agrees that if we go out with only a few projects, there are those in town government who would clearly support that. I also had a conversation with a couple of other trusted source. The consensus is the list of projects is not good. They advocated cutting the list off at a certain point, or coming out with the handful of projects we want to fund with very clear reasons as to why we wouldn't fund others. All agreed that spending the 1.975 million because we had this process is not a good investment of funds, and we should be prepared to take the heat. I am a bit concerned that VEPC and others who've been deeply involved in reviewing applications and meeting deadlines (in state government) for this process may get frustrated that we didn't make the call earlier. Arguably we knew three months ago what the list of projects and could have pulled the plug then. However I think there's a defensible argument for letting the process work to see where we needed to tweak the process.

Vermont College of Fine Arts: We are hearing whining from VCFA re: our historic preservation review. They spent three months in denial about needing an Act 250 permit, they did not involve us in any planning on the redesign of their historic buildings and now they are panicked. Noelle and Laura Treischmann, SHIPO are working closely with their folks negotiating options. VCFA indicates they have a \$1 million dollar grant in the wings waiting for a decision. We are doing the best we can but wished they were clearer on the process, their consultants should have known about this process!

Lucy Leriche, Deputy Secretary: Lucy is in Austria on the biomass, renewable energy investigation with Chris Recchia and Mike Snyder.

CHIEF MARKETING OFFICE ♦ Heather Pelham, Marketing Manager

- **SOV Website Template:** Presentations of the new template this week included the statewide marketing group, which includes communications staff from throughout state government. A dozen+ agencies and departments were represented and both the look and feel changes and added functionality/flexibility of the new template were



State of Vermont
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

For consumer assistance:
[All Insurance] 800-964-1784
[Securities] 877-550-3907
[Banking] 888-568-4547
www.dfr.vermont.gov

CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Susan L. Donegan, Commissioner, Department of Financial Regulation
Date: November 21, 2014
Re: Weekly Report - Addendum

Susan L. Donegan

EB5 Compliance Program

A Memorandum of Understanding (MOU) between the Agency of Commerce and Community Development and DFR is in final draft form, which will assign EB5 project approval and on-going compliance functions to DFR. Sarah London has reviewed the draft written by DFR. The next step is for ACCD to review this proposed program with the U.S. Citizens and Immigration Services (USCIS) in order for USCIS to approve the delegation of functions. Once necessary approvals are secured, DFR will initiate the hiring process to add an examiner and an analyst to the Securities Division staff. DFR will also utilize existing staff members from its Legal and Banking divisions, as needed (for example, bank secrecy review is a skill that exists in the Banking Division). DFR will absorb the cost of these new positions until sufficient fees are generated by the EB5 program. Jim Reardon has reviewed these new positions as part of DFR's budget projections. The draft MOU is being sent to Secretary Moulton and her staff today.

*Let's decide when to
announce.*



From: Mishaan, Jessica [Jessica.Mishaan@state.vt.us]

Sent: Friday, December 12, 2014 4:55 PM

To: Richards, Alyson; Miller, Elizabeth; Allen, Susan; Spaulding, Susan; Kunin, Lisa; Trombley, Shana; Carrier, Janis; Clasen, Michael; Spaulding, Jeb; London, Sarah; Nease, Floyd; Miller, Lawrence; Gray, Laura; Coriell, Scott; Johnson, Justin; Johnson, Harriet; Green, Geoff

Subject: Weekly Reports - Executive Privilege

Attachments: Weekly Reports - Executive Privilege 12 12 14.pdf

Weekly Reports - Executive Privilege

Please find the attached.

Have a great weekend everyone!

Thanks,
Jess

Jessica Mishaan | Paralegal
Office of the Governor
109 State Street
Montpelier, VT 05609-0101
802.828.3333

WEEKLY REPORTS

Checklist
12/12/14

Elizabeth Miller/Alyson Richards

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☐ Department of Labor – Annie Noonan
- ☒ Department of Financial Regulation – Susan Donegan
- ☐ Agency of Education – Rebecca Holcombe
- ☐ VT Commission on Lottery – Greg Smith

TBD

- ☒ Agency of Transportation – Sue Minter
- ☒ Agency of Human Services – Harry Chen

Sue Allen

- ☒ Agency of Agriculture – Chuck Ross
- ☒ Agency of Natural Resources – Deb Markowitz
- ☒ Public Service Department – Chris Recchia

Sarah London

- ☐ Department of Public Safety – Keith Flynn
- ☒ Agency of Administration – Jeb Spaulding

Susan Spaulding

- ☒ Boards and Commissions – Susan Spaulding
- ☒ Department of Liquor Control – Mike Hogan

CONFIDENTIAL and PRIVILEGED—No Sharing

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: December 12, 2014
Re: Weekly Report

PATRICIA MOULTON, SECRETARY:

HIGHLY CONFIDENTIAL EB5: We have sent another letter to AncBio requesting information needed to determine if all material disclosures have been made. We gave another deadline of January 9. We have received a subpoena for documents from the SEC for documents on AncBio Korea, AncBio Pharm and Jay Peak Biomedical Research Park. No subpoena yet for a deposition of Brent Raymond but that is expected. We are getting substantial push back from attorneys when requesting information to clarify investor complaints. And push back on a records request from an attorney in St. Johnsbury re: Q Burke. There is a less than cooperative nature to our communications lately which suggests they are “lawyering up” for the future.

Historic Preservation issues: VCFA: Tom Greene of Vt. College of Fine Arts and I have spoken. We are waiting for more information from VCFA to make a final determination as to impact. It is likely we are fine with what they have proposed, but we cannot get all the details on what they are planning. We are sending an email detailing all that is outstanding. Much of what we need has been requested by the District Environmental Commission as well. I have asked staff to expedite the review and they are doing that.

VTel: We are continuing to try to work with VTel on a solution for the Middlebury Congregational Church. There remains concern for the impacts particularly since there has been an AT&T facility in the same church, using the existing windows for 10 years. Our DHP staff is working with their consultant to try to find a compromise.

Windham County Economic Development Program: We have notified the winners of the 2pm press conference on Friday, December 12. They will be attending. We are dropping the “sorry you did not get an award” emails at between noon and 1 pm Friday. They include details as to why they were not funded. Fred Kenney and I will be accompanying the Governor at the press event. We have asked some “friends” to be there and Kate O’Connor is working on some friends. We expect a fair amount of blow back after tomorrow’s event. SBDC is ready to work with us on contract to provide technical assistance. I am getting good feedback on changes to the process with more to come after the presser Friday.

Dealer.com: Lisa Gosselin followed up on tip by Mike Lane that Dealer is looking to hire 70 programmers and may do so in Texas because the talent pool here is shallow. Mike Lane recently left Dealer (early retirement) but followed up with Dealer recruiter Trygve Cossette and had an in-depth conversation about Dealer’s needs and what the state can do to help. Dealer does plan to hire 25-40 new people here in Burlington but the top level, experienced programming talent (six-figure hires) is not available here and cannot be trained in a time frame that meets their immediate needs. In terms of longer-term pipeline of talent, Dealer has worked well with Champlain but has been frustrated by lack of cooperation UVM has shown. Lisa discussed with UVM’s John Evans and is arranging a meeting with Provost Dave Rosowsky for next week. Trygve is also working with his executive team to set up a meeting with the state to discuss recruitment and workforce training.

LUCY LERICHE, DEPUTY SECRETARY

- **CONFIDENTIAL - Vermont Strong Scholars:** Lucy convened a group to begin talking about the marketing of this program. Neither VTC nor VSAC feel comfortable investing dollars into a marketing effort until a funding source is identified and/or committed. They are concerned about driving students to action, and then not being able to deliver on the promise. Lucy suggested there may be interest from individual businesses to partner with the state on this program. Lucy and Dan will compile a list of employers and begin making visits to gauge interest. In the meantime, the CMO’s office will work on sketching out some preliminary messaging materials. Lucy will also work with ACCD internal legal staff on writing up the proposed statutory clarifications that will be needed to implement the program.

CONFIDENTIAL and PRIVILEGED—No Sharing

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: December 19, 2014
Re: Weekly Report

PATRICIA MOULTON, SECRETARY:

EB5: I am meeting this morning with Bill Stenger on AncBio. I had hoped this could be more informal with just Bill, Brent and I. However Bill is bringing not one but three lawyers! We are in listening mode. They indicate their bringing us all the information we requested. We will go through that slowly and carefully and I'll be asking lots of questions. I will follow up with Liz after the meeting.

Global Foundries: I think the meetings on Thursday went well. Hope you got positive feedback. Will prepare a follow up package for them which includes information about training, incentives, education and workforce development.

VtTel: After our meeting with Michel Guite and his team, I chatted about the historic preservation issues. Gordon Matthews indicated he had provided more information than I was aware of. I asked him to be sure to send that to me and I have not heard anything. My HP team reports we're still waiting on information from them and nothing has been filed recently.

Vermont College of Fine Arts: This is another historic preservation issue because they need an Act 250 permit and Section 106 (federal) review is required due to their USDA financial guarantee. Tom Greene, President of the VCFA is under the incorrect impression that we nominated his building for inclusion on the National Register of Historic Places without his knowledge. He has been consulting developers and attorneys about whether we did that properly. I have explained to him twice verbally and once in writing after he sent me a lawyers opinion that we violated federal law nominating his building, that we have not nominated him for the national register, but rather determined, in accordance with Act 250, whether his properties are *eligible* to be on the national register. A determination of eligibility is a statutory requirement. That is done through the Advisory Council for Historic Preservation. Tom is pushing back a great deal on providing this information because he believes one of the buildings the council has deemed "contributing" is not historic as it was built less than 50 years ago. We keep explaining age is not the only criteria considered when determining whether or not a property is historic or "contributing". I keep asking him to get the information we need. My HP team is telling me that we likely will have a few problems with his plans. This week we received the documents we need to complete the Act 250 review.

Windham County Economic Development Program: I met with VEPC this week to explain the thinking around the reduced list of grant and loan awards. They all seem to understand and be supportive. One big question is how will we involve VEPC in the "reboot" of the program. Stephan Morse thinks it would be good to have all loans continue to go through them even if we have an open application for loans. Fred Kenny and I are taking their comments and others and will recommend a series of changes. Would like to get this wrapped up by the end of January.

Note: it's expected we will have a skeleton crew in the agency the Friday after Christmas and the Friday after New Year's. I'm planning on taking those two days off but will be available and may stop into the office. **HAPPY HOLIDAYS AND MERRY CHRISTMAS TO ALL!**

LUCY LERICHE, DEPUTY SECRETARY

- **Rep. Botzow:** Pat, Lucy and Lisa met with Representative Botzow to discuss the upcoming legislative session. The ACCD team gave an overview of progress made on legislative mandates from the last session, the status of various reports, as well as some technical changes to existing statute, namely Vermont Strong Scholars and VEGI. The team explained that things are still not finalized with the budget, so any new initiatives are still unknown. Bill said he had a drafting request in, and will be collecting ideas to include in his bill and will have David Hall from legislative council get in touch with ACCD leadership to include our ideas.

CEDS: Lucy and Pat are making arrangements for Commissioner Gosselin to present the CEDS to the General Assembly, and would like to have the opportunity to present it at an Extended Cabinet meeting as well. The

Good idea — Justin

From: Miller, Elizabeth [Elizabeth.Miller@state.vt.us]

Sent: Sunday, January 25, 2015 2:30 PM

To: GPS

CC: Richards, Alyson; Allen, Susan; London, Sarah; Coriell, Scott; Johnson, Justin; Miller, Lawrence

Subject: Weekly Reports - Executive Privilege 01 23 15.pdf

Attachments: Weekly Reports - Executive Privilege 01 23 15.pdf; ATT00001.txt

Gov: here are weeklies, minus Rebecca who was a bit late; I read through hers and didn't see anything you didn't already know, but Aly if i'm wrong please highlight and send along? Not much highlighted herein that is new or troubling. Justin is running down the prevailing wage issue, fyi, and will have more info for you early this week. Liz

WEEKLY REPORTS

Checklist

1/23/15

Elizabeth Miller/Alyson Richards

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☐ Department of Labor – Annie Noonan
- ☒ Department of Financial Regulation – Susan Donegan
- ☐ Agency of Education – Rebecca Holcombe
- ☒ VT Commission on Lottery – Greg Smith

TBD

- ☒ Agency of Transportation – Sue Minter
- ☒ Agency of Human Services – Hal Cohen

Sue Allen

- ☒ Agency of Agriculture – Chuck Ross
- ☒ Agency of Natural Resources – Deb Markowitz
- ☒ Public Service Department – Chris Recchia

Sarah London

- ☒ Department of Public Safety – Keith Flynn
- ☒ Agency of Administration – Justin Johnson

Susan Spaulding

- ☐ Boards and Commissions – Susan Spaulding (**no report this week**)
- ☒ Department of Liquor Control – Mike Hogan

CONFIDENTIAL and PRIVILEGED—No Sharing

To: Governor Peter Shumlin
 From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
 Date: January 23, 2015
 Re: Weekly Report

LEGISLATIVE ACTIVITY

- **Budget Adjustment Act:** Testimony on budget adjustment in House and Senate approps went fine. We seem to stray off topic as is typically the case.
- **Tourism Funding Report:** Lucy reviewed the Tourism Funding Report in the Senate Economic Development Committee. There was initially some disappointment and skepticism about this actually having the desired result of more funding for marketing. Senator Mullen made it clear that they may decide to advocate for a stronger funding commitment.
- **Legislative:** On 1/15 Lisa submitted a report on "Financing and Networking Events" per Act 199 and testified on the report before House Commerce that same day. The gist of the report and the testimony is that access to financing alone is not the key issue in Vermont: what is needed is a combination of business coaching and knowledge about how to best present a business plan and whom to approach for financing. Lisa also testified on the One Stop Shop portal along with Secretary of State Condos. The SOS's office has led the way with a compliance web site and ACCD is working with partners to map technical assistance, financial assistance, workforce assistance and site/permitting assistance. On 1/16 Lisa testified before Senate Economic Development providing an overview of the department and highlighting the growth of our programs as revenue centers.
- **House Commerce Committee Testimony:** Dan Towle, Director of Financial Services testified in House Commerce along with Dave Provost, Deputy Commissioner of Captive Insurance. They testified for over an hour and a half giving an overview of captive insurance at a very basic level due to the many new committee members. The committee was very interested in captive insurance and grateful for the overview.
- **Testimony in House Commerce and Economic Development Committee:** Noelle provided an update on the technology infrastructure addition to the tax credits that is in Act 199. The committee would like us to monitor what businesses are using those buildings that received the credit, so we are working on determining how best to accommodate their request.
- **9 (L): Chris monitored Act 250, 9(L) Hearing.** In a joint hearing, the Senate Committees on Economic Development and on Natural Resources took testimony on the results of the new Act 250 criteria intended to efficiently use land and infrastructure and curb strip development. Over 15 witnesses testified, representing a range of advocacy groups from the Vermont Chamber to VNRC. Development consultants, realtors, local government officials and citizens commented on the law as well. Testimony fell squarely into pro and con camps and is summarized below.
 - Supporters stated that strip development wastes land and energy, costs taxpayers money and degrades Vermont's quality of life, its brand and environment. They offered evidence that the provision is working as intended and showed that permitting new sprawl development harms community centers and undermines the state's investments and efforts to revitalize these areas.
 - Opponents agreed that sprawl development was not good for Vermont, but believed the new law (and subsequent guidance to evaluate if projects contribute to sprawl --or not) is unclear. They assert this ambiguity is killing projects before they get off the ground, which hurts Vermont's economy. They feel amendments are needed for the law to work as intended, but offered no specifics.

Both sides agreed that changes to Act 250 (or any law) require time to implement, but disagreed about how long that takes (testimony stated anywhere from 1 -5 years). While the implementation timeline can be debated, it was clear that education would help everyone come to a common understanding of this new provision and how to design projects that minimize strip characteristics. The next steps of this conversation are uncertain, but the Senate Committee on Natural Resources has jurisdiction over Act 250 and they are expected to take additional testimony (separate from the Committee on Economic Development). Several Senators have reached out and asked why they are spending time on this, given projects are moving forward and it is so new – there are so many other issues and they can't understand wasting time on this one. Tony Klein sees this as a non-issue.

- **TMDL Water Quality Initiatives:** Noelle joined leadership from ANR, Ag, and AOT in a meeting with Speaker Smith and the chairs of House Fish and Wildlife, Ways and Means, Ag, and Appropriations to discuss how the

package of initiatives moving forward to clean up Lake Champlain and meet our agreement with EPA around total maximum daily load (TMDL) targets. This is definitely collaborative efforts between the executive and legislative branches. ANR will be requesting a similar meeting with Sen. Campbell to ensure that those committees have time to work on the bills that come over from the House.

- On behalf of the Housing Council, Jen presented the Report on **Vermont's Renter Rebate Program** to House Ways and Means Committee. Committee members were engaged but somewhat skeptical. The Committee has long had concerns about the program, which prompted the required study. In addition to presenting the Council's recommendations for improvements to the program, urged committee members to keep the impact on the cost of housing in mind as they deliberate over property tax reform.
- **Mobile Home Park Bill:** Rep. Bill Botzow is drafting an expansive mobile home park bill that would require the Department to create a system for licensing mobile home parks, create an electronic reporting system for habitability, expand our enforcement authority and require us to determine reasonable rent increases. A meeting with the Chairman and Legislative Counsel is scheduled for Friday. We will share our concerns with the bill and offer an alternative approach based on the recommendations of our 2013 mobile home park study.
- **Misc Tax Bill:** We think there has been some cross communication with Tax on the 10% property tax adjustment on certified multifamily homes. Jen worked with Mary last year to save this. Jen and Mary talked this year but Jen never saw the language until the bill was submitted. As submitted, this year's bill eliminates it unless a municipality asks for it, which is unlikely. Jen will be connecting with Mary to try to straighten out.

PATRICIA MOULTON, SECRETARY

Vermont Enterprise Fund: We hear Cynthia Browning may introduce an amendment on the floor to enable Mack molding to access VEF funds. Lucy and I will work to garner support to kill any amendment.

I meeting with GW plastics Friday, I expect this will come up. We are in communication with Janet Bombardier about the R&D benefit for IBM/global foundries. She's going to be running it through her corporate team. She's also inquiring about VEGI. Not for purchase of campus thankfully, but for future expansions.

EBS: We're working with Susan Donegan and her team on reviewing the ANC bio materials. I've informed Alex MacLean that this review is happening with DFR. I've also been talking with Alex to try to keep this moving forward. The latest round of information we got from Jay peak follows their pattern of giving me giving us some of what we need but not all. Alex has shared her frustration, and I have shared mine. Alex and I seem to be making progress. We are moving toward a meeting with DFR to lay out what we need for compliance.

Windham County Economic Development Program: Fred Kenney and I are making progress on the rewrite of this process. I'm going down to Brattleboro February 5 for a series of meetings. I want to connect with you on the updates in mid-February.

Agency of Education: Started a great conversation with Rebecca and her team regarding the alarming population declines. We're going to work more closely together on appropriate education data to assist in economic development. We are going to continue to discuss strategies. This will likely lead to a broader conversation about strategies with other agencies. Stay tuned for more.

LUCY LERICHE, DEPUTY SECRETARY

- **VCRD's Economic Opportunity through Combating Climate Change Initiative:** Lucy did a community television spot promoting the upcoming Summit with Paul Costello and Ross Snead. The VCRD Board voted to approve the members of the Economic Climate Change Commission. From the Administration, Lucy and Sue Minter will be part of the Commission.

DEPARTMENT OF ECONOMIC DEVELOPMENT: Lisa Gosselin, Commissioner

- **Way to GO DED!!** It's annual report time and there's good news: Every Department of Economic Development program hit it out of the park this past year. This past year we've seen significant growth in the dollar volume brought to the general fund (\$24.3M in Captives and \$2.4M in VEGI long term payroll tax revenue,) to businesses (\$103M in contracts via PTAC, \$4.7 million via VEGI, close to \$1M via VTP, close to \$100M in new EB-5 projects in the queue) and to Vermonters (2,184 workers went through the Vermont Training Program and received, on average an 11.2% wage increase; EB-5 projects created more than 1600 direct and indirect jobs). Not

press conf?



State of Vermont
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

For consumer assistance:
[All Insurance] 800-964-1784
[Securities] 877-550-3907
[Banking] 888-568-4547
www.dfr.vermont.gov

CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Susan L. Donegan, Commissioner, Department of Financial Regulation
Date: January 23, 2015
Re: Weekly Report

Susan L. Donegan

Captive Insurance Division:

The Captive Division kicked off the new year by licensing a new captive insurance company bringing the number to 1030. Emergency Physician Insurance Exchange was established in Nevada in 2003 and is now redomesticating to Vermont. The members are emergency medicine specialists who contract with hospitals to deliver and manage professional services.

Insurance Division:

Commissioner Susan Donegan has been appointed vice chair of the National Association of Insurance Commissioners (NAIC) International Insurance Relations Committee. The committee coordinates the NAIC's participation in international discussions on insurance regulatory matters and standard setting issues. It also manages international insurance matters with federal agencies including the U.S. Treasury and the Federal Reserve Board.

Banking Division:

Cynthia Stuart will begin working on Monday as the deputy commissioner of the Banking Division. Ms. Stuart has 18 years of experience in the retail/community side of banking and she brings both current operations and senior management skills to the job. She has worked at several federal community banks in New Hampshire, some of which have branches in Vermont. A native of the Northeast Kingdom, she lives in Concord.

Securities Division:

DFR and the Agency of Commerce and Community Development have begun working together on EB-5 issues. DFR is in the process of reviewing the amended private placement offering memorandum for ANC BIO and anticipates meeting with project personnel soon.



Banking
802-828-3307

Insurance
802-828-3301

Captive Insurance
802-828-3304

Securities
802-828-3420

From: Springer, Darren [Darren.Springer@vermont.gov]

Sent: Saturday, February 06, 2016 9:49 AM

To: GPS

CC: Johnson, Justin; Miller, Lawrence; Allen, Susan; Coriell, Scott; London, Sarah; Gray, Laura; Pepper, James

Subject: Weekly Reports - Executive Privilege 02 05 16.pdf

Attachments: Weekly Reports - Executive Privilege 02 05 16.pdf; ATT00001.txt

Highlighted Weekly Attached.

Gov - See notes on EB5 and a Quebec prospect in ACCD upfront. Also check out estate tax update in Tax section.

Gov and Sarah - just FYI see Recchia note on Yankee upfront in PSD section.

Gov and Lawrence and Scott and Sue - VHC report in AHS says COC backlog down to 4379 as of Thursday, well over 1,000 processed.

Pepper - see notes throughout on marijuana legislation in Transportation, AoA, and Tax.

Thanks, have a great weekend,
Darren

WEEKLY REPORTS

Checklist

2/5/16

Darren Springer

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☒ Department of Financial Regulation – Susan Donegan
- ☒ Public Service Department – Chris Recchia
- ☒ Agency of Human Services – Hal Cohen

Sue Allen

- ☒ Agency of Education – Rebecca Holcombe
- ☒ Agency of Transportation – Chris Cole
- ☒ Agency of Agriculture – Chuck Ross
- ☒ Agency of Natural Resources – Deb Markowitz

Sarah London

- ☒ Department of Public Safety – Keith Flynn
- ☒ Agency of Administration – Justin Johnson

Jessica Gingras

- ☐ Boards and Commissions – Jessica Gingras
- ☒ Department of Liquor Control – Jim Giffin

TBD

- ☐ Department of Labor – Annie Noonan
- ☒ VT Commission on Lottery – Greg Smith

CONFIDENTIAL and PRIVILEGED—No Sharing

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: February 5, 2016
Re: Weekly Report

PATRICIA MOULTON, SECRETARY

GOVERNOR'S PRIORITIES:

- **Westminster Cracker:** I have been reaching out to Bob Abramowitz of Westminster Cracker. He is extremely upset about paid sick leave, and the proverbial "death by 1000 cuts." Westminster recently bought Dr. Lucy's Cookies in Virginia and is thinking about moving it to Vermont with its 50 jobs. Paid sick leave was causing him to reconsider and even consider moving Westminster out. We helped him understand he already complies with the law so would have little burden other than administration. However, he says his Chicago based Board of Directors thinks Vermont is "socialist" and wonders why the company is here. He wants Vermont to have more drug testing in the workplace like other states where he operates. He does what to hear what we can do to help move Dr. Lucy's to Vermont. The Rutland delegation is plugged into his issues with both Senator Mullin and Representative Terenzini reaching out to him.
- **Milk Money:** Janice Shade and Luisa Schibli have successfully launched Milk Money, a new crowdsourcing funding resource for Vermont businesses and Vermonters wishing to invest in Vermont businesses. They are doing a presser next Wednesday, Joan will be in attendance. VSECU has taken an equity position in the new fund. They are using Vermont's Small Business Offering Exemption to facilitate these investments. They speak highly of DFR and the team there.
- **Environmental Action Network:** The Clean Energy Finance Initiative steering committee of EAN is meeting today to finalize recommendations. The two recommendations include creating a new coordinating "bureaucracy" (my word) at VEIC, and creating a new position in the governor's office to coordinate state agencies. I have been working with John Copans and we are going to say we don't think either of these are necessary. The recommendation seeks to also use "revenues from the carbon tax" to help finance clean energy projects.
- **Jay Peak and EB5:** We are at the almost final requisition phase with Q-Burke. Bill Stenger has been emphatic we need to approve this requisition to get open by Presidents week. They have no funding in the escrow account to pay this requisition. But also PeakCM have entered in to an agreement that PeakCM will not release the final Certificate of Occupancy to Q-Burke until Peak gets assurance all of the retainage in the last requisition (which is most of the requisition, approx. \$2.9 million) is approved by DFR. Mind you, the original contract between Peak and Q-Burke indicated the CO must be released BEFORE the retainage. So this may be a battle. Peak also wants payment of legal fees the incurred fighting the State and interest on payments not yet released by us.
- **Legislation:** We have successfully gotten the regional Council of governments (COG) enabling legislation to a better place. House Government Ops is supposed to vote it out this week. I do not know what its prognosis is. This is being pushed by some regional planning commissions.
- **H507, water quality compliance for economic development incentives:** I Believe we have successfully moved that bill to request State agencies to develop a self-certification process for our state funded grant an incentive programs. Justin Johnson and Trey Martin will have more detail.
- **Marijuana:** I am testifying this morning in the Senate economic development and requesting that they add to the list of deliverables for the Review Commission the need to examine how to enable drug testing after a workplace incident targeted at those occupations responsible for Public Safety or could potentially harm coworkers. I will be speaking in favor of the bill. I am getting pushback from AIG, and I expect other employers.

LEGISLATIVE ACTIVITY

- **Planning & Solar Siting:** Noelle met with Senator Bray on planning and solar siting. He feels that local and regional planning is a path to pursue per the recommendations in the Solar Siting Task Force. Noelle suggested that clear and consistent requirements be included to provide clarity and direction. A follow up meeting with PSD is set to discuss this issue and ensure we are all on the same page.



State of Vermont
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

For consumer assistance:
[All Insurance] 800-964-1784
[Securities] 877-550-3907
[Banking] 888-568-4547
www.dfr.vermont.gov

CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Susan L. Donegan, Commissioner, Department of Financial Regulation
Date: January 9, 2015
Re: Weekly Report

Susan L. Donegan

Securities Division:

As reported to Liz Miller Thursday, the Agency of Commerce and Community Development received the "green light" from federal authorities to proceed with the plan to move EB-5 compliance to DFR. Secretary Pat Moulton and Commissioner Susan Donegan will be communicating with the Administration on how and when to release this information publically.

Banking Division:

The Commissioner has finished interviewing applicants for deputy commissioner of the Banking Division and is about to offer the position to the most qualified candidate. It is anticipated that the new deputy will begin working within the next 30 days.

Plans to merge the Bennington E/E Federal Credit Union into Vermont State Employees Credit Union have been unanimously approved by both boards of directors. It must now be approved by each membership, which will take place at the Bennington E/E Credit Union's annual meeting in February and the VSECU annual meeting in March. It then must be approved by DFR and the National Credit Union Administration (NCUA). Located in Bennington, the Bennington E/E Credit Union has one branch and 500 members. It will become VSECU's 11th branch office.

Insurance Division:

The U.S. Congress passed legislation Thursday to reauthorize the Terrorism Risk Insurance Act (TRIA), which provides a federal "backstop" for insurers in the event of a catastrophic terrorist attack. The program, which began in 2002, guarantees that the federal government will pick up insurers' cost for any terrorist attack that costs more than \$100 billion. This is an important safety net for captive insurance companies as well as traditional insurance companies. Senator Leahy and Congressman Welch voted in favor.



From: Mishaan, Jessica [Jessica.Mishaan@state.vt.us]

Sent: Friday, February 13, 2015 5:07 PM

To: Richards, Alyson; Miller, Elizabeth; Allen, Susan; Spaulding, Susan; Kunin, Lisa; Trombley, Shana; Carrier, Janis; Clasen, Michael; London, Sarah; Nease, Floyd; Miller, Lawrence; Gray, Laura; Coriell, Scott; Johnson, Harriet; Green, Geoff; Johnson, Justin

Subject: Weekly Reports - Executive Privilege

Attachments: Weekly Reports - Executive Privilege 02 13 15.pdf

Weekly Reports - Executive Privilege

Please find the attached.

Have a great weekend everyone!

Thanks,

Jess

Jessica Mishaan | Paralegal

Office of the Governor

109 State Street

Montpelier, VT 05609-0101

802.828.3333

WEEKLY REPORTS

Checklist 2/13/15

Elizabeth Miller/Alyson Richards

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☐ Department of Labor – Annie Noonan
- ☒ Department of Financial Regulation – Susan Donegan
- ☐ Agency of Education – Rebecca Holcombe
- ☒ VT Commission on Lottery – Greg Smith

TBD

- ☒ Agency of Transportation – Sue Minter
- ☒ Agency of Human Services – Hal Cohen

Sue Allen

- ☒ Agency of Agriculture – Chuck Ross
- ☒ Agency of Natural Resources – Deb Markowitz
- ☒ Public Service Department – Chris Recchia

Sarah London

- ☐ Department of Public Safety – Keith Flynn
- ☒ Agency of Administration – Justin Johnson

Susan Spaulding

- ☐ Boards and Commissions – Susan Spaulding (**no report this week**)
- ☒ Department of Liquor Control – Mike Hogan

CONFIDENTIAL and PRIVILEGED—No Sharing

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: February 13, 2015
Re: Weekly Report

LEGISLATIVE ACTIVITY

House Commerce is on a tour of central and southern Vermont on Tuesday. They will be stopping at GW plastics and then moving onto White River and Springfield. I will be joining them at GW plastics. This is helpful to show Ben Riehl "love".

Senate and House Economic Development Bills: Pat and Lucy met with Senator Mullin to discuss our position on the additional initiatives in the Senate bill beyond those we are recommending from the Administration. There appears to be resolution and agreement on all but the Angel Investment Tax Credit, which we remain neutral on until we have more information around what the budgetary impact would be. As for the others, he agreed to remove the sections on Strategic Employers and dedicated funding for VTP through VEGI, and was pleased with Pat's suggestion that we substitute his new program for advanced manufacturing and IT with an enhanced VEGI credit for those sectors as we currently offer for Green Energy.

Testimony H. 49: Senate Natural Resources requested information on why ACCD would care about water quality. Noelle outlined our interests regarding tourism passive and active recreation, quality of life, land use and planning, economic development, etc. Also shared that the Governor tasked us with working together at the outset of this administration and we have done that through multiple projects and efforts over the past 4 years. Outlined how we would support land use planning, low impact development and education through Community Planning and Revitalization's work to help with outreach as well as implementation of new water quality requirements. Also mentioned that we were sensitive to the costs and wanting to make sure that they supported our land use goals and did not drive development outside our centers. Only direct suggestion to the bill was in regards to requirements in the bill for basin planning. Noted that there are many plans and our experience with flood work, the plans needed to be integrated (basin plans, town plans, river corridor plans...) and focus on implementation.

9 (L): At the joint hearing with Senate Economic Development and Natural Resources last month on 9 (L), Chris Cochran reached out to the Ferrisburg select board members and offered our assistance with helping them determine how best to market the property at Route 7 and 22A. The Vice-Chair of the Select Board followed up with Noelle and she offered to meet with the Select Board and Planning Commission to offer options and in prep would meet with other agency staff and reach out to others such as VNRC, RPC and RDC. Hosted a meeting with ANR, NRB, AOT and VNRC and discussed the history of the site, conveyances, easements, local zoning and discussed options. We have a list of options, have reached out to the RDC and have a meeting with the RPC and are working on scheduling the meeting in Ferrisburg.

H.25: A bill relating to Natural Burial Grounds: We testified in House General and outlined our concerns and will follow up later this week on suggested changes to the bill to address our concerns. DEC and Dept. of Health have also testified and will be providing guidance on safe distances from potable water and hopefully river corridors. They are taking more testimony this week and it appears like the Chair would like to move this forward.

Vermont Council on Native American Affairs: Three tribes have received state-wide recognition. A fourth tribe has been trying for recognition for over a year and recently their application was rejected by the VCNA. Representative Masland is a member of the tribe that was rejected and asked to meet with Laura, Dale and Noelle. He outlined issues he saw with both the application and the process and was seeking our guidance on the statute and next steps which we provided.

H.123 Mobile Home Park Bill: With Shaun Gilpin in attendance to monitor, Rep. Bill Botzow presented his mobile home park bill (H.123) to the House General, Housing and Military Affairs Committee this week. Jen has been asked to testify on the bill next Tuesday and sent a bill review with recommended position to the Governor's office.

Disposal of Tenant Property: House General, Housing and Military Affairs is working on a draft committee bill comprising two legislative fixes it considers technical. Section 1 clarifies the timeline for disposing of tenant

property after an eviction. It is intended to address an inconsistency identified in a recent decision by the Vermont Supreme Court (*JW, LLC v. Ayer*), more precisely, in a footnote by Justice Dooley. Jen and Dale monitored, reviewed the draft and made a position recommendation to the Governor's office.

Vermont Housing and Conservation Coalition Day: Jen also with Noelle, attended the opening session of the Coalition's legislative day at which Governor Shumlin, Lt. Gov. Phil Scott, Speaker Smith and President Pro Tem Campbell addressed, encouraged and thanked the group.

Cloud Tax: Lisa worked with Jeff Couture to help recruit businesses to testify in Senate Finance on the cloud tax.

CONFIDENTIAL: Lisa and Deputy Secretary Lucy Leriche reviewed the Department of Economic Development budget with Representative Kathy Keenan of House Appropriations on 2/10 and Lisa met with her again on 2/11. Lisa and Secretary Pat Moulton also met with Senator McCormick. Both are looking for additional areas to cut, particularly staff.

PATRICIA MOULTON, SECRETARY

EB5: The new arrangement with DFR is working wonderfully. They are very much on top of the AncBio situation. John Kessler and Brent Raymond continue to have phone calls with the SEC. SEC questions are getting fewer and conversations shorter. Not sure what that means.

Act 250: I have started a close working relationship with Jon Groveman at the NRB. Jon and I discussed a problem in District 5 (Central Vermont) related to Jeff Cueto a member of the commission and former ANR water quality employee. It appears Jeff is trying to impose conditions on water withdrawal for a permit at Smugglers Notch which extends beyond current water withdrawal rules. ANR is opposed to these conditions yet Ron Shems made a determination to support the district commission in Smuggler's appeal to the environmental court. The problem is if the judge upholds these conditions, it imposes new water withdrawal standards potentially on every ski area. The water withdrawal rules were hard-fought many years ago. Further, there are procedures for amending the rules. Jeff has intimate knowledge of the rules and it appears that he is imposing his own personal preference versus following the rule making procedure. John and I are brainstorming on ways to fix this. I think John will do a good job.

Budget: We have been doing budget meetings with Sen. McCormack who is our budget liaison in Senate appropriations. He is new to appropriations, new to the budget process, and new to ACCD. He is already told us if the choice is to cut human services or cut us, he will advocate to cut us. Not helpful! We will work with other members of the committee, and watch them very closely. I will give Jim Reardon a heads up on this as well.

Business outreach: I met with Tim Lizotte at Champlain Cable this week. He was pleased as he said "no Governor or state official has ever visited us" and that is now corrected. He is deeply concerned for any income tax proposal to fund single payer, delighted it is off the table for now. And workforce availability is another concern. I also met with three other businesses as part of a Colchester tour this week.

I reached out to Mr. Traudt of Green Mountain Defense Industries, a contact that came to Liz via Rep. Masland. Mr. Traudt is operating now out of Stephens Precision in Bradford and he alleges he can expand. Apparently we have heard this before. He is frustrated because every bank and lender wants a personal guarantee to lend money. I explained that is standard practice and it will be difficult to find a lender who won't want that. He claims North Carolina will offer him \$500,000 in equipment loans without a personal guarantee and he has an investor who will invest if he moves the company to North Carolina. He explained he "has a meeting with the Governor's office and the congressional folks, I will see what they can do." I recommend the Governor NOT meet with him.

LUCY LERICHE, DEPUTY SECRETARY

- **NCIC 40th Anniversary Celebration:** Lucy represented ACCD at this event in Saint Johnsbury where the Governor and Senator Welsh offered inspiring remarks in addition to several businesses who had high praise for the assistance they received through NCIC.

KEN JONES, ECONOMIC RESEARCH ANALYST

From: Mishaan, Jessica [Jessica.Mishaan@vermont.gov]

Sent: Saturday, October 10, 2015 7:49 AM

To: Allen, Susan; Kunin, Lisa; Trombley, Shana; Carrier, Janis; Clasen, Michael; London, Sarah; Miller, Lawrence; Gray, Laura; Coriell, Scott; Johnson, Harriet; Green, Geoff; Johnson, Justin; Springer, Darren; Gingras, Jessica; Pepper, James; Dudley, Jahala

Subject: Weekly Reports - Executive Privilege

Attachments: Weekly Reports - Executive Privilege 10 09 15.pdf

Weekly Reports - Executive Privilege

Please find the attached.

Have a great weekend everyone!

Thanks,
Jess

Jessica Mishaan | Paralegal

Office of the Governor

109 State Street

Montpelier, VT 05609-0101

802.828.3333

**Please note new email address: jessica.mishaan@vermont.gov

WEEKLY REPORTS

Checklist
10/9/15

Darren Springer

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☒ Department of Financial Regulation – Susan Donegan
- ☒ Public Service Department – Chris Recchia
- ☒ Agency of Human Services – Hal Cohen

Sue Allen

- ☒ Agency of Education – Rebecca Holcombe
- ☒ Agency of Transportation – Chris Cole
- ☒ Agency of Agriculture – Chuck Ross
- ☒ Agency of Natural Resources – Deb Markowitz

Sarah London

- ☒ Department of Public Safety – Keith Flynn
- ☒ Agency of Administration – Justin Johnson

Jessica Gingras

- ☐ Boards and Commissions – Jessica Gingras
- ☒ Department of Liquor Control – Jim Giffin

TBD

- ☒ Department of Labor – Annie Noonan
- ☒ VT Commission on Lottery – Greg Smith

CONFIDENTIAL and PRIVILEGED—No Sharing

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: October 9, 2015
Re: Weekly Report

PATRICIA MOULTON, SECRETARY:

GOVERNOR'S PRIORITIES:

- **GS Precision:** Things are progressing well on the project. We now have a tentative closing date for mid-December. I'm working through the issues of ACCD lending vs. granting with Sara and Jim Reardon.
- **Aeolus Mountain Hotel and Spa:** I met this week with three individuals planning a \$44 million, 80 room hotel, 160 seat restaurant and spa in Manchester. This is a very large financing and I have concerns about the ability for them to pull it off in the timeframe they hope. They want to start construction in the spring. The project would create 90 full-time jobs. They want to specialize in locally sourced food, creating a Vermont experience that connects guests to the area and a high end experience. It sounds like an exciting project, I just have concerns about financing. They may need to slow down to raise more equity.
- **Emergency Board:** We thought we had a bit more time with the board meeting moved to the 19th. But now I'm hearing that Janet Ancel and Tim Ashe will be traveling starting next Tuesday until the following Sunday therefore JFO wants materials today to send out. We have materials ready but they have not been reviewed and signed by the Governor. I will be forwarding those to Steve as drafts. Global Foundries is not ready to come in on the 19th and would like an emergency board meeting in December. I have corresponded with Darren and we're working on setting that up.
- **Vermont PBS:** I learned this week Vermont PBS will be running a series on Innovation in Vermont. It is still in the drafting stages but is ago. This will help us with our marketing efforts and will pair nicely with the economic development marketing work Joan and team are preparing.
- **Green Mountain race track in Pownal:** I met this week with Steve Soler who is trying to develop the track as a music and outdoor venue. They have run into a serious roadblock with Pan Am Railroad regarding crossings. We have some strategies to try to resolve. Steve is an experienced real estate developer and has many ideas for potential's at the track should the music venue not work out. If he is successful with his plans, it will be transformative to the panel economy. The town is supportive.
- **JFO meeting:** See Lucy's report below. The meeting was not productive. The goals of the approps chairs was to think long term. While the policy chairs were looking for nuggets for this session. They did not seem on the same page.
- **EB5:** We continue to wrestle with the fire hose!
- **Kiersten Bourgeois reports: Breakfast Networking Meeting – FCCQ/VQEI:** I have been working very closely with the FCCQ to organize an event in Montreal prior to the Governor's press event with Premier Couillard in October. The FCCQ has invited Pat M. to serve as a keynote speaker for the event and there will be three working sessions that will focus on IT, Energy and Advanced Manufacturing. We have identified three "leaders" in each of those sectors and will be reaching out to them ASAP. This will be a relatively small event that will serve as a good introduction to both organizations for participants. It also will be, as the FCCQ has indicated, an opportunity for them to talk to attendees about the MOU that was signed with the VQEI in advance of the press conference.
- **AMCHAM Luncheon:** Have been organizing panelists and all have been confirmed: Jake Holzscheiter, President & CEO of Deringer, Greg Maguire from Revision and Mr. Len Gold, Esq. from Burns & Levinson of Boston have agreed to participate in the panel to talk about doing business in Vermont, logistics and address other general issues that arise as a Quebec company is seeking a business opportunity here.

Recruitment

- **Project Composites:** Yesterday, met with the BHS team in St. Johnsbury. They received the good news that their production process will not exceed styrene limits in Vermont. Doug Elliott from DEC came for part of the meeting and was incredibly helpful. The company representatives were ecstatic. The rest of the discussion